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STATE OF HAWAII
PUBLIC UTILITIES COMMISSION
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September 29, 2014

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 – 12th Street, SW
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

USAC
Vice President of the High Cost and Low Income Division
2000 L Street, NW, Suite 200
Washington, DC 20036

Re: CC Docket No. 96-45/WC Docket No. 14-58, Annual State-Certification of Support for Eligible Telecommunications Carriers Pursuant to 47 Code of Federal Regulations ("C.F.R.") Section 54.314

Dear Ms. Dortch and USAC Vice President:

Hawaiian Telcom, Inc. ("HTI"), a local exchange carrier; Sandwich Isles Communications, Inc. ("SIC"), a local exchange carrier; Coral Wireless, LLC, dba Mobi PCS ("Mobi"), a commercial mobile radio service provider; and Pa Makani LLC, dba Sandwich Isles Wireless ("Pa Makani"), a commercial mobile radio service provider, are designated as eligible telecommunications carriers ("ETC") in the State of Hawaii ("Hawaii").¹

Designated ETCs may receive federal universal service fund ("USF") high-cost support ("High-Cost Support"), and a "carrier that receives such support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended" as provided under Section 254 (e) of the Telecommunications Act of 1996 ("Intended Use of USF Support").

¹The commission designated: HTI as an ETC on December 4, 1997, in Decision and Order No. 16111, in Docket No. 1997-0363; SIC as an ETC on December 9, 1998, in Decision and Order No. 16737, in Docket No. 1998-0317; Mobi as an ETC on February 23, 2007, in Decision and Order No. 23275, in Docket No. 2005-0300; and Pa Makani as an ETC on April 10, 2012, in Decision and Order No. 30309, in Docket No. 2011-0145.

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USAC
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The Hawaii Public Utilities Commission ("commission") has established and updated annual certification requirements applicable to Hawaii ETCs in Decision and Order ("D&O") No. 30932, in Docket No. 2011-0052, issued on December 28, 2012.

By Order No. 32113, the commission opened Docket No. 2014-0126 to "determine whether state designated ETCs in [Hawaii] participating in the federal USF high-cost support program should be certified by the commission in 2014 pursuant to 47 C.F.R. § 54.314(a)." Docket No. 2014-0126 consolidates the 2014 ETC high-cost certifications and included all ETCs receiving high-cost USF support as parties, Mobi, HTI, SIC, and Pa akani.

HTI, SIC, Mobi, and Pa Makani state that they shall use federal universal service support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with the Intended Use of USF Support, and that they will comply with all requirements to be eligible for High-Cost Support.

The commission considered and approved the annual certification for each of the above-referenced ETCs, in Docket No. 2014-0126, by D&O No. 32304, filed on September 22, 2014, as listed in the table below.

2014 Commission Approved ETC Certifications

| Applicant | Study Area Code |
|-----------|-----------------|
| HTI | 623100 |
| SIC | 623021 |
| Mobi | 629002 |
| Pa Makani | 629004 |


Pursuant to 47 C.F.R. § 54.314(a), the commission hereby certifies to the Federal Communications Commission and the Universal Service Administrative Company that the telecommunications carriers listed above are eligible to receive High-Cost Support, and that all High-Cost Support provided to these carriers in Hawaii was used in the preceding calendar year (2013) and will be used in the coming calendar year (2015) only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. See the enclosed D&O No. 32304.

If this letter does not fully satisfy the requirements for state certification of carriers to receive federal universal service support, we respectfully request a waiver of the October 1, 2014 deadline to correct any deficiencies.

Marlene H. Dortch
USAC
September 29, 2014
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Please contact Brooke K. Kane, Administrative Director, at (808) 586-2020 to address any questions on this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Hermina Morita".

Hermina Morita
Chair

HM:sr

Enclosure

c: Jeffrey T. Ono, Division of Consumer Advocacy (w/o enc.)
Steven P. Golden, HTI (w/o enc.)
Clifford K. Higa, Esq., SIC and Pa Makani (w/o enc.)
Peter Gose, Mobi (w/o enc.)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

Received & Inspected

OCT 01 2014

FCC Mail Room

-----In the Matter of-----)
)
PUBLIC UTILITIES COMMISSION) DOCKET NO. 2014-0126
)
Instituting a Proceeding to)
Investigate Whether Designated)
Eligible Telecommunications)
Carriers Participating in the)
High-Cost Program of the)
Universal Service Fund Should be)
Certified By the Commission)
Pursuant to 47 Code of Federal)
Regulations § 54.314(a).)
)

DECISION AND ORDER NO. 32304

FILED
2014 SEP 22 P 1:43
PUBLIC UTILITIES
COMMISSION

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

| | | |
|----------------------------------|---|-------------------------------------|
| -----In the Matter of----- |) | |
| |) | |
| PUBLIC UTILITIES COMMISSION |) | Docket No. 2014-0126 |
| |) | |
| Instituting a Proceeding to |) | Decision and Order No. 32304 |
| Investigate Whether Designated |) | |
| Eligible Telecommunications |) | |
| Carriers Participating in the |) | |
| High-Cost Program of the |) | |
| Universal Service Fund Should be |) | |
| Certified By the Commission |) | |
| Pursuant to 47 Code of Federal |) | |
| Regulations § 54.314(a). |) | |
| |) | |

DECISION AND ORDER

By this Decision and Order,¹ the commission:

(1) determines that the ETC Parties² have each sufficiently complied with the annual eligible telecommunications carrier

¹The "Parties" to this proceeding are (1) HAWAIIAN TELCOM, INC. ("HTI"); (2) SANDWICH ISLES COMMUNICATIONS, INC., ("SIC"); (3) SIC's affiliate PA MAKANI LLC, dba SANDWICH ISLES WIRELESS ("Pa Makani"); (4) CORAL WIRELESS, LLC, dba MOBI PCS ("Mobi"); and (5) the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate"). See Order No. 32113 Initiating Investigation, filed on June 2, 2014 ("Order Initiating Investigation") at 8. No persons moved to intervene or participate without intervention in this docket. See Hawaii Administrative Rules ("HAR") § 6-61-57(3).

²HTI, SIC, Pa Makani, and Mobi, are hereinafter collectively referred to as the "ETC Parties."

("ETC") certification requirements established by the commission in Decision and Order No. 30932, filed on December 28, 2012, in Docket No. 2011-0052 ("Annual Certification Requirements"); and (2) certifies to the Federal Communications Commission ("FCC") and the Universal Service Administrative Company ("USAC") that the ETCs in the State of Hawaii ("State") participating in the federal high-cost support program of the universal service fund ("USF") (i.e., HTI, SIC, Mobi, and Pa Makani) have been or will be using such support for the purposes for the which the support is intended, consistent with 47 Code of Federal Regulations ("C.F.R.") § 54.314(a).

I.

Background

On June 2, 2014, the commission instituted this investigation to determine whether State designated ETCs participating in the high-cost support program of the USF should be certified by the commission in 2014, pursuant to 47 C.F.R. § 54.314(a).³ As the commission noted in that order, the federal rules require state commissions that desire ETCs to receive USF high-cost support to annually submit a certification to the FCC and the USF administrator, USAC, that the ETCs have used and will

³See Order Initiating Investigation at 1.

use the support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.⁴

In the Order Initiating Investigation,⁵ based on certain FCC filing deadlines, including the October 1, 2014 federal deadline for state certification of USF high-cost support program recipients, the commission established procedural deadlines for this proceeding.⁶ At the Parties' requests, the commission issued orders extending the filing deadlines. Specifically, on June 13, 2014, the commission issued Order No. 32141, extending from June 6, 2014 to June 20, 2014, the deadline for the Parties to file their Annual Certification Requirements reports("ACR reports"). On August 7, 2014, the commission issued Order No. 32259, extending the following: (1) Parties' Responses to Issued IRs deadline from June 27, 2014, through July 24, 2014 to August 8, 2014; (2) Simultaneous Statements of Position deadline from August 1, 2014, to August 14, 2014; and (3) Simultaneous Reply

⁴Order Initiating Investigation at 2. See also 47 C.F.R. § 54.314(a).

⁵On July 11, 2014, the commission, on its own motion, issued a protective order to govern the classification, acquisition, and use of trade secrets and other confidential information produced in this docket. See Protective Order No. 32204, filed on July 11, 2014.

⁶See the Regulatory Schedule in the Order Initiating Investigation at 6-7.

Statements of Position deadline from August 8, 2014, to August 21, 2014.

The ETC Parties each subsequently filed (1) their ACR reports; (2) responses to information requests ("IRs") and supplemental IRs, as applicable; and (3) copies of their annual reporting requirements consistent with 47 C.F.R. § 54.313(i). The Consumer Advocate filed its Statement of Position ("SOP") on August 4, 2014, and each of the ETC Parties filed their respective responses to the Consumer Advocate's SOP on August 21, 2014, except that HTI filed a letter the same day advising the commission that it would not be filing a response to the Consumer Advocate's SOP.

In its SOP, the Consumer Advocate states that, so far, only HTI has provided sufficient information to justify its certification as a State designated ETC participating in the high-cost support program of the federal USF for 2015, pursuant to 47 C.F.R. § 54.314(a). The Consumer Advocate contends that additional information is necessary to adequately support the certification of Mobi, SIC and Pa Makani.⁷

⁷See Consumer Advocate's SOP at 2.

II.

Discussion

By Decision and Order No. 30932, filed on December 28, 2012, in Docket No. 2011-0052 ("Decision and Order No. 30932"), the commission adopted Annual Certification Requirements for State designated ETCs participating in the high-cost program of the USF.⁸ These requirements superseded the annual ETC certification requirements previously adopted by the commission on an interim basis in Order No. 30230, filed on February 27, 2012, in Docket No. 2011-0052, which amended the commission's formerly adopted ETC certification requirements in "Decision and Order No. 22228," filed on January 17, 2006, in Docket No. 05-0243.

The Annual Certification Requirements (individually, "Reporting Requirement") adopted by the commission in Decision and Order No. 30932 are as follows:

A. Federal Reporting Requirements Applicable to All ETCs Other Than Lifeline-Only ETCs

The following federal reporting requirements shall apply to all ETCs in Hawaii other than Lifeline-only ETCs:

1. Provide a copy of all of the ETC's current year filings to the FCC required by 47 C.F.R. Sections 54.313 (annual reporting

⁸These requirements do not apply to ETCs designated by the commission for the limited and sole purpose of participating in the USF Lifeline program, known as Lifeline-only ETCs. See Decision and Order No. 30932 at 9-13 and 32.

requirements for high-cost recipients) and 54.1009 (annual reports).

2. Any carrier affected by the cap shall provide a discussion on whether the carrier has sought or plans to seek a waiver from the \$250/line/month cap on universal service support as specified in 47 C.F.R. § 54.302. If a waiver has been requested, provide the status of the waiver.
- B. Additional Hawaii Reporting Requirements Applicable to All ETCs Other Than Lifeline-Only ETCs

The following additional reporting requirements shall apply to all ETCs in Hawaii other than Lifeline-only ETCs:

1. Provide the percentage of all out-of-state troubles cleared within twenty-four hours of the time such troubles are reported. The standard for this is a minimum of ninety-five percent cleared within twenty-four hours.
2. Provide the number of customer trouble reports per one hundred lines per month. The standard for this is no more than six customer trouble reports per one hundred lines per month.
3. Provide a certification that the carrier will promptly notify its customers, and as appropriate, law enforcement and fire agencies that will be affected when its service will be interrupted for scheduled repairs or maintenance, or if the occurrence of an interruption in service is otherwise known to the carrier.
4. Any ETC that is already filing with the commission the information detailed in Paragraphs Nos. 1 to 3, above, on an annual or more frequent basis, is not required to resubmit that information.

Pursuant to 47 C.F.R. § 54.314(a), "[s]tates that desire eligible telecommunications carriers to receive support pursuant to the high-cost program must file an annual certification with the Universal Service Administrator and the FCC stating that all federal high-cost support provided to such carriers within that State was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."

To assist with the identification of the benefactors of federal high-cost support, excluding frozen Interstate Access Support ("IAS") that is not required to be used for deploying broadband services, ETCs shall provide the following information:

1. The number of locations or customers in each wire center or census block within its ETC service area for the previous calendar year and the anticipated number of locations or customers in each wire center or census block for the coming calendar year;
2. The services available to locations or customers in each wire center or census block within its ETC service area for the previous calendar year and the anticipated services available to locations or customers in each wire center or census block for the coming calendar year; and
3. In addition to the information provided on its progress report pursuant to 47 C.F.R. § 54.313(a)(1):
 - a. Identify all capital, operating and maintenance expenditures for which the carrier has received universal high-cost support for the previous calendar year, broken down to the wire centers or census blocks, as appropriate.
 - b. An update on the status of projects that were planned for the

previous calendar year. For each project, provide: the amount of universal high-cost support utilized; a discussion of whether competitive bidding was utilized; a discussion of whether any project related contracts were awarded to entities affiliated to the carrier or in which an officer of the entity is related to an officer of the carrier; a discussion of whether the project plans were changed, and if so, the reasons why; maps detailing the location of the project as well as the wire centers or census blocks of the affected customers; an explanation of the project and how it was used to improve service quality, coverage, or capacity for the intended benefactors; data supporting improvements in service quality, coverage, or capacity. Beginning July 1, 2013, separate progress reports shall be provided for voice and broadband service, to the extent required by federal law.

- c. For the coming calendar year, identify all anticipated capital, operating, and maintenance expenditures on projects that the carrier plans to seek federal high-cost support for, broken down to the wire center level or census block, as appropriate;
- d. For the coming calendar year, maps detailing the location of the project and the wire center or census block of the affected locations or customers, an explanation of the project and how it will be used to improve service quality, coverage, or capacity for the intended benefactors, and the data supporting the quantification of the benefactors. Beginning June 1, 2013, separate progress reports shall be provided for voice and broadband service to the extent required by federal law; and

e. If in the final year of high-cost support, plans for the following (i.e., future) calendar years are not required.

4. Pursuant to 47 C.F.R. § 54.320, provide a certification that the carrier will retain, for at least ten years, all records required to demonstrate to auditors that the support received was consistent with the universal service high-cost program rules and that these documents will be available upon request to the FCC and any of its bureaus or offices, Universal Service Administrative Company, and their respective auditors.

C. Requirements for an Incumbent Local Exchange Carrier or a Rural Local Exchange Carrier

To confirm whether the carrier is or will charge a limited monthly access recovery charge on its wireline service, carriers are to provide a list of the monthly access recovery charge for each of the carrier's class of service.

Decision and Order No. 30932 at 9-13 (citation omitted).

In addition, the commission required that ETCs providing service on Hawaiian Home Lands provide redacted, non-confidential copies of their annual ETC certification reports to the Department of Hawaiian Home Lands ("DHHL") and the OHA.⁹ The commission's review of each of the ETC Parties' filings submitted for certification to receive USF high-cost support are discussed individually in the sections below.

⁹See Decision and Order No. 30932 at 32.

A.

HTI

HTI is the State's incumbent local exchange carrier ("LEC"), providing a "comprehensive slate" of local and intraLATA telecommunication services, statewide. In 1997, the commission approved HTI's application for designation as an ETC to receive federal USF support, effective January 1, 1998.¹⁰

On June 20, 2014, HTI filed its annual certification report for the commission's review,¹¹ asserting that its provision of responses and information relating to the applicable certification requirements set forth in Decision and Order No. 30932 "demonstrate that HTI meets all applicable annual certification requirements."¹² With respect to each requirement, HTI provided the necessary information or indicated how the requirement is inapplicable, at this juncture. For instance,

¹⁰See In re GTE Hawaiian Telephone Company, Incorporated, Docket No. 97-0363, Decision and Order No. 16111, filed on December 4, 1997. HTI was formerly known as GTE Hawaiian Telephone Company, Incorporated.

¹¹See Hawaiian Telcom, Inc.'s Annual Certification Requirements Report for the Year Ending December 31, 2013; Confidential Attachments A-E; Certification of John T. Komeiji; Verification; and Certificate of Service, filed on June 20, 2014 (collectively, "HTI's Report"). Consistent with the commission's requirement, a copy of HTI's Report was served on the DHHL and the OHA. See HTI's Report, Certificate of Service at 2.

¹²See HTI's Report at 5.

with respect to Reporting Requirement A(1) regarding the reporting required by 47 C.F.R. § 54.313, HTI states that it will file with the commission a complete copy of its Annual Report for High-Cost Recipients on July 1, 2014, in accordance with the Regulatory Schedule in the Order Initiating Investigation.¹³ Further, with respect to Reporting Requirement A(2) regarding the \$250/line/month cap on USF support as specified in 47 C.F.R. § 54.302, HTI states that it is not affected by the cap, and therefore, the reporting requirement is inapplicable.¹⁴

Moreover, in response to Reporting Requirements B(4)(1) through B(4)(3), HTI provides information regarding: (1) the number of its locations or customers in each wire center within its service area as Confidential Attachment A; (2) the services available to locations or customers in each wire center or census block within its service area as Confidential Attachment B; (3) all capital, operating, and maintenance expenditures for which high-cost support was received, by wire

¹³On July 1, 2014, HTI filed: (1) copies of its Rate Floor Data Collection Form and certification relating to voice services, which was submitted to the FCC and to the USAC on June 24, 2014; and (2) copies of its FCC Form 481 which was submitted and certified by HTI to USAC, with a copy sent to the FCC on June 30, 2014.

¹⁴See HTI's Report at 5.

center or census block, as Confidential Attachment C; and (4) updates on the status of projects planned for the pervious calendar year as Confidential Attachment D.¹⁵ Included among other things in HTI's Report is the Certification of its Senior Vice President and General Counsel, John T. Komeiji, who provides the necessary certifications regarding notification of planned service interruptions and retention of records in response to Reporting Requirements B(3) and B(4)(4).¹⁶ Finally, in response to Reporting Requirement C (applicable to the incumbent LEC or a rural LEC), HTI states that it initiated an access recovery charge ("ARC") on its wireline services, effective July 3, 2012, and provides its current ARC rates.¹⁷

In its SOP, the Consumer Advocate finds that HTI "has provided sufficient information to justify its certification as a state designated eligible telecommunications carrier" participating in the high-cost support program of the federal universal service fund for 2015, pursuant to 47 Code of Federal Regulations § 54.314(a).¹⁸

¹⁵On July 15, 2014, HTI filed confidential attachments A-E; the information is included in the confidential attachments, and thus, shall not be further identified herein.

¹⁶See HTI's Report, Certification of John T. Komeiji at 1-2.

¹⁷See HTI's Report at 9.

¹⁸See Consumer Advocate's SOP at 2.

By letter dated and filed on August 21, 2014, HTI indicated that it would not be submitting a Reply Statement of Position.¹⁹

Upon review, the commission finds that HTI has sufficiently complied with the Annual Certification Requirements adopted in Decision and Order No. 30932. As noted by the Consumer Advocate, and confirmed by the commission, HTI has provided the requisite information and certifications mandated by the commission, as applicable. Based on the foregoing, the commission finds and concludes that HTI has sufficiently satisfied the Annual Certification Requirements adopted by the commission in Decision and Order No. 30932, and that certification should be provided to the FCC and USAC that all federal high-cost support provided to HTI was used in 2013 and will be used in 2015 only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to 47 C.F.R. § 54.314(a).

¹⁹See HTI's letter dated August 21, 2014, at 1.

B.

SIC

SIC, a rural LEC, is authorized by the commission to provide intrastate telecommunications services in the State on lands administered by the DHHL.²⁰ In 1998, the commission designated SIC as an ETC for the service areas consisting of lands administered by the DHHL.²¹

On June 20, 2014, SIC filed its annual certification report for the commission's evaluation.²² With respect to each requirement, SIC provided the necessary information or indicated how the requirement is inapplicable. In particular, with respect to Reporting Requirement A(2), SIC states that it filed a Petition for Waiver of the FCC's Rules implementing reform of Universal Service Support and Intercarrier Compensation for Rate-of-Return

²⁰See In re Sandwich Isles Communications, Inc., Decision and Order No. 16078, filed on November 14, 1997, in Docket No. 96-0026.

²¹See In re Sandwich Isles Communications, Inc., Decision and Order No. 16737, filed on December 9, 1998, in Docket No. 98-0317.

²²See Submission of Sandwich Isles Communications, Inc.'s Annual Certification as an Eligible Telecommunications Carrier, Attachments 1-8; Certification Statement, Sandwich Isles Communications, Inc., FCC Order No. 01-157 ("Certification Statement"); and Certificate of Service, filed on June 20, 2014 (collectively, "SIC's Report"). Consistent with the commission's requirement, copies of SIC's Report were served on the DHHL and the OHA. See the June 20, 2014 letter to the commission from Clifford K. Higa, at 2. The letter accompanied SIC's Report filed on June 20, 2014.

Carriers (the "Petition") on December 30, 2011. The Petition was denied. SIC further states that it also applied for an expansion of its study area waiver in November 2012, which would allow SIC to serve all of HHL, thereby significantly increasing its line count within the next five to ten years. The FCC decided SIC's study area waiver application could not be processed under the sixty (60) day expedited approval rule contained in the Transformation Order, and as such, the application is still pending.²³

SIC states that it experienced 327 outage tickets of which 290 or 89% were cleared within 24-hours and that it had less than two customer trouble reports per 100 lines per month in response to Reporting Requirements B(1) and B(2).²⁴ With respect to Reporting Requirement B(3), SIC "certifies that it notifies customers, and as appropriate, law enforcement and fire agencies that will be affected when SIC's service will be interrupted for scheduled repairs or maintenance, or if the occurrence of an interruption in service is otherwise known to SIC."²⁵ SIC provides information regarding the number of its locations and the services it provides within each of its wire centers as Confidential

²³See SIC's Report at 6.

²⁴SIC's Report at 6-7.

²⁵SIC's Report at 7.

Attachment 1, in response to Reporting Requirements B(4)(1) and B(4)(2).²⁶

A detailed description of SIC's capital, operating, and maintenance expenditures and an update of its projects for which SIC received support is set forth on pages 9-11 of its Report and associated confidential documents. Additionally, SIC provides the necessary certification regarding record retention in response to Reporting Requirement B(4)(4), and states that it charges its customers a limited monthly ARC for wireline service for both residential and commercial customers, \$1.00 and \$2.00 per line, respectively, in response to Reporting Requirement C.²⁷

Furthermore, included as part of its Report, SIC provides the Certification of its Authorized Signatory, Breanne Hee, who certifies, among other things, the following:

All federal universal service support funds received by Sandwich Isles Communications, Inc. during the current calendar year will be used in a manner consistent with Section 254(e); that is, for the provision, maintenance, and upgrading of facilities and services for which the support is intended. The company will continue to comply for the next calendar year in order to be eligible for federal universal service support regardless of the rule under which that support is provided.

²⁶On July 15, 2014, SIC filed confidential documents; the information is included in Attachment 1 of the confidential documents, and thus, shall not be further identified herein.

²⁷SIC Report at 12.

SIC's Report, Certification Statement at 1-2 (footnote omitted).

In its SOP, the Consumer Advocate admitted that it was only able to undertake an "expedited review"²⁸ of SIC's annual certification submission. While the Consumer Advocate found that "the existing ETCs provided information similar to the information provided in Docket 2013-0066," it recommended that additional information "be provided to better assess whether the carriers meet the Annual Certification Requirements."²⁹

The Consumer Advocate recommended that (1) SIC confirm the Consumer Advocate's understandings of Requirement A(1), and (2) SIC provide a legible copy of its FCC Form 481 filed on June 30, 2014, for support. Further, the Consumer Advocate noted that SIC did not meet Reporting Requirement B(1), relating to the percentage of out-of-service troubles cleared within 24 hours, which has a 95% minimum standard. Lastly, the Consumer Advocate sought further information regarding the competitive bid process and its use as it relates to any SIC project or projects and Reporting Requirement 3(b).³⁰

On August 21, 2014, SIC filed a Reply to the Consumer Advocate's SOP ("SIC's Reply"), and an Attachment

²⁸Consumer Advocate's SOP at 2.

²⁹Consumer Advocate's SOP at 4.

³⁰Consumer Advocate's SOP, Attachment 4 at 2.

containing confidential information (SIC's Attachment"), subject to Protective Order No. 32204. The information included in SIC's Attachment addressed the Consumer Advocate's above-referenced concerns.³¹

SIC's Reply includes its statement that "it did provide a certification pursuant to 47 C.F.R. § 54.313(a)(10) on its FCC Form 481."³² SIC further states that it "marked the Line 1000 box, therefore making the requisite 47 C.F.R. § 54.313(a)(10) certification."³³ Additionally, SIC's Reply includes Exhibits in the form of an enlarged, clean, redacted copy of FCC Form 481, and an enlarged version of the un-redacted form under seal.³⁴

In Decision and Order No. 31745, filed on December 12, 2013, in Docket No. 2013-0066, the commission acknowledged that:

certain requirements need to be re-evaluated to determine applicability and how to measure them given the changes in the telecommunications industry in the State and nationwide, changes which were well articulated by the Consumer Advocate in its Position Statement. Accordingly, as we

³¹Information included in confidential Attachment shall not be further identified herein.

³²SIC's Reply at 3.

³³SIC's Reply at 3.

³⁴SIC's Reply at 3.

also noted with respect to HTI, at this juncture, the commission will view the service related requirements of the ETC certification requirements to be targets of achievement as opposed to strict standards, until determined otherwise.³⁵

SIC states that "while [it] strives to accomplish these targets of achievement relating to service related requirements, it experiences unique challenges due to the remoteness of the areas it serves. Further, SIC attempts to schedule service appointments with customers at their convenience, which oftentimes results in the requested times being outside of the specified twenty-four hour timeframe. Also, the limited number of outage repairs means just a couple of misses materially impact the service quality percentage."³⁶

SIC acknowledged the Consumer Advocate's request for further information regarding the competitive bidding process and its use relating to SIC's projects,³⁷ and provided an explanation of its compliance with Reporting Requirement 3(b).³⁸ According to

³⁵Consumer Advocate's SOP, Attachment 4 at 2.

³⁶SIC's Reply at 3 and 4. Due to a formatting error in SIC's Reply, there are multiple pages numbered as page "3." Page "4" as referenced herein refers to what should correctly be page 4 in SIC's Reply.

³⁷SIC's Reply at 4.

³⁸SIC's explanation is included as information in SIC's Attachment, and, as it is confidential, shall not be further identified herein.

SIC's Competitive Bidding Policy, there are two types of new construction projects: (1) those initiated by DHHL, and (2) those initiated by SIC.³⁹ Projects initiated by DHHL allow DHHL to take the lead in the design, bidding and construction processes. Although projects initiated by DHHL include SIC's telecommunications infrastructure in DHHL's bid process, said infrastructure is priced and contracted separately from DHHL's work.⁴⁰

SIC explained that one of its projects is similar to projects initiated by the DHHL under SIC's Competitive Bidding Policy, in that the general contractor was selected by the State of Hawaii.⁴¹ SIC further explained that another of its projects was initiated by DHHL pursuant to SIC's Competitive Bidding Policy, and that SIC did not competitively bid this project separately from the DHHL funded portion of the project, due to the added cost of integrating the construction work for both portions of the project.⁴² SIC clarified that, in its experience, "having two contractors working on the same project site makes it

³⁹SIC's Competitive Bidding Policy at 1, filed on February 12, 2014, in Docket No. 2013-0066.

⁴⁰SIC's Competitive Bidding Policy at 1.

⁴¹SIC's Reply at 4.

⁴²SIC's Reply at 4.

extremely difficult to coordinate work schedules and raises additional liability issues."⁴³ The result is delay and additional costs to SIC.⁴⁴

Based on an independent examination of SIC's filings, the commission finds that SIC has provided all of the required information and certifications mandated by the commission, as applicable.

Accordingly, the commission finds and concludes that SIC has sufficiently satisfied the Annual Certification Requirements adopted by the commission in Decision and Order No. 30932, and that certification should be provided to the FCC and USAC that all federal high-cost support provided to SIC was used in 2013 and will be used in 2015 only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to 47 C.F.R. § 54.314(a).

C.

Mobi

Mobi is authorized by the FCC and the commission to provide commercial mobile radio service, or wireless

⁴³SIC's Reply at 4.

⁴⁴SIC's Reply at 4.